

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): July 26, 2022

HOOKER FURNISHINGS CORPORATION

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

000-25349
(Commission
File No.)

54-0251350
(I.R.S. Employer
Identification No.)

**440 East Commonwealth Boulevard,
Martinsville, Virginia**
(Address of principal executive offices)

24112
(Zip Code)

(276) 632-2133
(Registrant's telephone number,
including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	HOFT	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On July 26, 2022, Hooker Furnishings Corporation (the “Company”) and its wholly owned subsidiaries, Bradington-Young, LLC, Sam Moore Furniture LLC and Home Meridian Group, LLC (together with the Company, the “Borrowers”), entered into a Fourth Amendment to the Second Amended and Restated Loan Agreement (the “Amendment”) with Bank of America, N.A. (“BofA”). The Second Amended and Restated Loan Agreement dated as of September 29, 2017, had previously been amended by a First Amendment to Second Amended and Restated Loan Agreement dated as of January 31, 2019, a Second Amendment to Second Amended and Restated Loan Agreement dated as of November 4, 2020, and a Third Amendment to Second Amended and Restated Loan Agreement dated as of January 27, 2021 (as so amended, the “Existing Loan Agreement”).

Facility No. 1: Line of Credit

Under this Amendment, the expiration date of the existing \$35 million Unsecured Revolving Credit Facility (“Facility No. 1”) was extended to July 26, 2027. Any amounts outstanding under Facility No. 1 will bear interest at a rate per annum, equal to the then current BSBY (adjusted periodically) plus 1.00%. The interest rate will be adjusted on a monthly basis. The use of proceeds of Facility No. 1 are to issue standby or commercial letters of credit, and for general purposes not in contravention of the Existing Loan Agreement.

Facility No. 5: 2022 Term Loan (Secured)

Under this Amendment, a new term loan was provided to the Borrowers in the principal amount of \$18,000,000 (“Facility No. 5”), which was disbursed to the Company on July 26, 2022. The Borrowers are required to pay monthly interest only payments at a rate per annum equal to the then current BSBY rate (adjusted periodically) plus 0.90% on the outstanding balance until the principal is paid in full. The interest rate will be adjusted on a monthly basis. On July 26, 2027, the entire outstanding indebtedness is due in full, including all principal and interest. The Borrowers may prepay the outstanding principal at any time, without penalty provided that any payment is accompanied by all accrued interest owed. The use of proceeds of Facility No. 5 are to reimburse the Borrowers for all or a portion of the purchase price and other costs associated with the acquisition of substantially all of the assets of Sunset HWM, LLC, a Texas limited liability company (“Sunset West”). Facility No. 5 is secured by life insurance policies under a Security Agreement (Assignment of Life Insurance Policy as Collateral) dated July 26, 2022, by and between the Company and BofA. (the “Security Agreement”).

Facility No. 6: 2022 Term Loan (Unsecured)

Under this Amendment, a new term loan was provided to the Borrowers in the principal amount of \$7,000,000 (“Facility No. 6”), which was disbursed to the Company on July 26, 2022. The Borrowers are required to pay monthly principal payments of \$116,666.67 and monthly interest payments at a rate per annum equal to the then current BSBY (adjusted periodically) plus 1.40% on the outstanding balance until paid in full. The interest rate will be adjusted on a monthly basis. On July 26, 2027, the entire outstanding indebtedness is due in full, including all principal and interest. The Borrowers may prepay the outstanding principal at any time, without penalty provided that any payment is accompanied by all accrued interest owed. The use of proceeds of Facility No. 6 are to reimburse the Borrowers for all or a portion of the purchase price and other costs associated with the acquisition of substantially all of the assets of Sunset West.

The foregoing description of the Amendment and Security Agreement are qualified in their entirety by the full text of the same, which are attached hereto as Exhibits 10.1 and 10.2, respectively, and are incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The information disclosed in Item 1.01 above is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

10.1 * [Fourth Amendment to Second Amended and Restated Loan Agreement, dated as of July 26, 2022, between Bank of America, N.A. and Hooker Furnishings Corporation, Bradington-Young, LLC, Sam Moore Furniture LLC and Home Meridian Group, LLC.](#)

10.2 * [Security Agreement \(Assignment of Life Insurance Policy as Collateral\), dated July 26, 2022, by and between Hooker Furnishings Corporation and Bank of America, N.A.](#)

104 † Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

† Certain portions of this Exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The Company agrees to supplementally furnish an unredacted copy of this Exhibit to the SEC upon request.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOOKER FURNISHINGS CORPORATION

By: /s/ Paul A. Huckfeldt

Paul A. Huckfeldt
Chief Financial Officer and
Senior Vice-President – Finance and Accounting

Date: July 28, 2022

**FOURTH AMENDMENT TO
SECOND AMENDED AND RESTATED LOAN AGREEMENT**

THIS FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AGREEMENT (this “Amendment”) is dated as of the 26th day of July, 2022, by and between **Bank of America, N.A.** (the “Bank”) and **Hooker Furnishings Corporation** (formerly known as **Hooker Furniture Corporation**), a Virginia corporation, **Bradington-Young, LLC**, a Virginia limited liability company, **Sam Moore Furniture LLC**, a Virginia limited liability company, and **Home Meridian Group, LLC**, a Virginia limited liability company (collectively, the “Borrowers,” and individually, a “Borrower”).

The Borrowers and the Bank are parties to a Second Amended and Restated Loan Agreement dated as of September 29, 2017, as amended by a First Amendment to Second Amended and Restated Loan Agreement dated as of January 31, 2019, a Second Amendment to Second Amended and Restated Loan Agreement dated as of November 4, 2020, and a Third Amendment to Second Amended and Restated Loan Agreement dated as of January 27, 2021 (as so amended, the “Existing Loan Agreement”), and they now desire to amend certain provisions of the Existing Loan Agreement as provided herein.

Accordingly, for and in consideration of the premises and the mutual covenants contained herein, the receipt and sufficiency of which consideration are hereby mutually acknowledged, the Borrowers and the Bank hereby agree as follows:

1. Capitalized Terms; Effective Date. Capitalized terms used in this Amendment which are not otherwise defined herein shall have the meanings assigned thereto in the Existing Loan Agreement, as amended by this Amendment (the Existing Loan Agreement, as amended by this Amendment, being hereinafter referred to as the “Loan Agreement”). Except as expressly provided to the contrary herein, all amendments to the Existing Loan Agreement set forth herein shall be effective as of the date of this Amendment.

2. Amendments to Existing Loan Agreement. The following provisions of the Existing Loan Agreement are amended as follows:

2.1. Availability Period and Method of Borrowing. The first sentence of Section 1.2(a) of the Existing Loan Agreement is amended to read as follows:

“Facility No. 1 is available between the date of this Agreement and July 26, 2027, or such earlier date as the availability may terminate as provided in this Agreement or such later date as the Bank may from time to time in its sole discretion designate in any “Extension Notice,” as defined hereafter (the “Facility No. 1 Expiration Date”).”

2.2. Interest Rate on Facility No. 1. Section 1.4 of the Existing Loan Agreement is amended to read as follows:

“1.4 Interest Rate on Facility No. 1.

(a) The outstanding principal amount of Facility No. 1 will bear interest at a rate per year equal to the BSBY Rate (Adjusted Periodically) plus 1.00%.

(b) The interest rate will be adjusted on the first day of every month (for purposes of this section, the “Adjustment Date”) and remain fixed until the next Adjustment Date. If the Adjustment Date in any particular month would otherwise fall on a day that is not a banking day then, at the Bank’s option, the Adjustment Date for that particular month will be the first banking day immediately following thereafter.

(c) For purposes of this section, the “BSBY Rate (Adjusted Periodically)” is a rate of interest equal to the rate per annum equal to the BSBY Screen Rate as determined for each Adjustment Date two (2) banking days prior to the Adjustment Date (for delivery on the first day of such interest period) with a term of one month; provided that if such rate is not published on such determination date then the rate will be the BSBY Screen Rate on the first banking day immediately prior thereto. “BSBY Screen Rate” means the Bloomberg Short-Term Bank Yield Index rate (“BSBY”) administered by Bloomberg Index Services Limited and published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Bank from time to time). If at any time the BSBY Rate (Adjusted Periodically) is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.”

2.3. Facility No. 5. A new Article 3.B. is added to the Existing Loan Agreement to read as follows:

“3.B. FACILITY NO. 5: 2022 TERM LOAN (SECURED)

3.B.1 Amount. The Bank will provide a term loan to the Borrowers in the original principal amount of \$18,000,000 (“Facility No. 5”), upon the terms and conditions set forth in this Agreement. Facility No. 5 will be available in a single disbursement on July 26, 2022, unless a Default or Event of Default has occurred.

3.B.2 Repayment Terms of Facility No. 5.

(a) The Borrowers will pay the amount of interest accrued on the outstanding principal balance of Facility No. 5 on the 26th day of each month, commencing August 26, 2022, until payment in full of all principal outstanding under Facility No. 5.

(b) On July 26, 2027, the entire indebtedness under Facility No. 5, including all outstanding principal and accrued but unpaid interest, shall be due and payable.

3.B.3 Interest Rate on Facility No. 5.

- (a) Facility No. 5 will bear interest at a rate per year equal to the BSBY Rate (Adjusted Periodically) plus 0.90%.
- (b) The interest rate will be adjusted on the first day of every month (for purposes of this section, the “Adjustment Date”) and remain fixed until the next Adjustment Date. If the Adjustment Date in any particular month would otherwise fall on a day that is not a banking day then, at the Bank’s option, the Adjustment Date for that particular month will be the first banking day immediately following thereafter.
- (c) For purposes of this section, the “BSBY Rate (Adjusted Periodically)” is a rate of interest equal to the rate per annum equal to the BSBY Screen Rate as determined for each Adjustment Date two (2) banking days prior to the Adjustment Date (for delivery on the first day of such interest period) with a term of one month; provided that if such rate is not published on such determination date then the rate will be the BSBY Screen Rate on the first banking day immediately prior thereto. “BSBY Screen Rate” means the Bloomberg Short-Term Bank Yield Index rate (“BSBY”) administered by Bloomberg Index Services Limited and published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Bank from time to time). If at any time the BSBY Rate (Adjusted Periodically) is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.
- (d) The Borrowers may prepay the outstanding principal of Facility No. 5 in full or in part at any time, without premium or penalty except as described below; provided that any prepayment shall be accompanied by all accrued interest thereon.”

2.4. Facility No. 6. A new Article 3.C. is added to the Existing Loan Agreement to read as follows:

“3.C. FACILITY NO. 6: 2022 TERM LOAN (UNSECURED)

3.C.1 Amount. The Bank will provide a term loan to the Borrowers in the original principal amount of \$7,000,000 (“Facility No. 6”, and together with Facility No. 1 and Facility No. 5, each a “Facility” and collectively the “Facilities”), upon the terms and conditions set forth in this Agreement. Facility No. 6 will be available in a single disbursement on July 26, 2022, unless a Default or Event of Default has occurred.

3.C.2 Repayment Terms of Facility No. 6.

(a) The Borrowers will pay installments of principal in the amount of \$116,666.67, plus the amount of interest accrued on the outstanding principal balance of Facility No. 6, on the 26th day of each month, commencing August 26, 2022, until payment in full of all principal of and interest on Facility No. 6.

(b) On July 26, 2027, the entire indebtedness under Facility No. 6, including all outstanding principal and accrued but unpaid interest, shall be due and payable.

3.C.3 Interest Rate on Facility No. 6.

(a) Facility No. 6 will bear interest at a rate per year equal to the BSBY Rate (Adjusted Periodically) plus 1.40%.

(b) The interest rate will be adjusted on the first day of every month (for purposes of this section, the “Adjustment Date”) and remain fixed until the next Adjustment Date. If the Adjustment Date in any particular month would otherwise fall on a day that is not a banking day then, at the Bank’s option, the Adjustment Date for that particular month will be the first banking day immediately following thereafter.

(c) For purposes of this section, the “BSBY Rate (Adjusted Periodically)” is a rate of interest equal to the rate per annum equal to the BSBY Screen Rate as determined for each Adjustment Date two (2) banking days prior to the Adjustment Date (for delivery on the first day of such interest period) with a term of one month; provided that if such rate is not published on such determination date then the rate will be the BSBY Screen Rate on the first banking day immediately prior thereto. “BSBY Screen Rate” means the Bloomberg Short-Term Bank Yield Index rate (“BSBY”) administered by Bloomberg Index Services Limited and published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Bank from time to time). If at any time the BSBY Rate (Adjusted Periodically) is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

(d) The Borrowers may prepay the outstanding principal of Facility No. 6 in full or in part at any time, without premium or penalty except as described below; provided that any prepayment shall be accompanied by all accrued interest thereon.”

2.5. Collateral for Facility No. 6. Article 4 of the Existing Loan Agreement is amended to read as follows:

“4. COLLATERAL FOR FACILITY NO. 5

Facility No. 5 will be secured by collateral assignments of the life insurance policies listed on Schedule A attached hereto (collectively, the “Assigned Policies”).”

2.6. Banking Days. Section 5.7 of the Existing Loan Agreement is amended to read as follows:

“5.7 Banking Days. Unless otherwise provided in this Agreement, a banking day is a day other than a Saturday, Sunday or other day on which commercial banks are authorized to close, or are in fact closed, in the state where the Bank’s lending

office is located, and, if such day relates to amounts bearing interest at a Reference Rate, in New York City.”

2.7. Successor Rate. A new Section 5.11 is added to the Existing Loan Agreement to read as follows:

“5.11 Successor Rate. If at any time an interest rate index provided for in this Agreement (a “Reference Rate”) is not available at such time for any reason or the Bank makes the determination to incorporate or adopt a new interest rate index to replace such Reference Rate in credit agreements, then the Bank may replace such Reference Rate with an alternate interest rate index and adjustment, if applicable, as reasonably selected by the Bank, giving due consideration to any evolving or then existing conventions for such interest rate index and adjustment (any such successor interest rate index, as adjusted, the “Successor Rate”). In connection with the implementation of any Successor Rate, the Bank will have the right, from time to time, in good faith to make any conforming, technical, administrative or operational changes to this Agreement as may be appropriate to reflect the adoption and administration thereof and, notwithstanding anything to the contrary herein or in any other loan document, any amendments to this Agreement implementing such conforming changes will become effective upon notice to the Borrowers without any further action or consent of the other parties hereto. If at any time any Successor Rate is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.”

2.8. Use of Proceeds. Section 9.1 of the Existing Loan Agreement is amended to read as follows:

“9.1 Use of Proceeds. (a) To use the proceeds of Facility No. 1 to issue standby or commercial letters of credit, and for general corporate purposes not in contravention of any law or of any Loan Document., and (b) to use the proceeds of Facility No. 5 and Facility No. 6 to reimburse the Borrowers for all or a portion of the purchase price and other costs associated with the acquisition of substantially all of the assets of Sunset HWM, LLC, a Texas limited liability company.”

2.9. Financial Covenants. Section 9.4(b) of the Existing Loan Agreement is amended to read as follows:

“(b) A Funded Debt to EBITDA ratio not greater than the ratios indicated for each period specified below:

Period	Ratio
Through July 30, 2023	2.50 to 1.00
July 31, 2023, through July 30, 2024	2.25 to 1.00
July 31, 2024, and thereafter	2.00 to 1.00

The Funded Debt to EBITDA ratio will be calculated at the end of each reporting period for which the Bank requires financial statements, using the results of the

twelve-month period ending with that reporting period. The results of any twelve--month period that includes time before the Acquisition shall be based on pro forma calculations of EBITDA, sufficiently explained, including to the extent appropriate results from the Seller for such time.”

2.10. Insurance. Sections 9.17(b) and (c) of the Existing Loan Agreement are amended to read as follows:

“(b) Not later than August 15, 2022, to provide evidence satisfactory to the Bank that the collateral assignments of the Assigned Policies in favor of the Bank have been filed of record with Northwestern Mutual, as the issuer of the Assigned Policies.

(c) (i) To maintain the Assigned Policies as security for Facility No. 5 in full force and effect, and (ii) not to surrender or make any changes to the Assigned Policies (including without limitation, any change in the owner or the beneficiary under any of the Assigned Policies) without the prior written consent of the Bank.”

2.11. Schedule A. A new Schedule A is added to the Existing Loan Agreement in the form of Schedule A attached to this Amendment.

3. Representations and Warranties. The Borrowers hereby represent and warrant to the Bank that:

3.1. The Borrowers are in compliance with all of the terms, covenants and conditions of the Existing Loan Agreement, and all of the terms, covenants and conditions of each of the other Loan Documents to which each is a party, and there exists no Default or Event of Default.

3.2. After giving effect to this Amendment, the representations and warranties contained in Article 8 of the Loan Agreement are, except to the extent that they relate solely to an earlier date, true with the same effect as though such representations and warranties had been made on the date hereof.

3.3. Each of the Borrowers has full organizational power and authority to execute and deliver this Amendment and the Collateral Assignment (as hereinafter defined), to perform its obligations under the Loan Agreement and the Collateral Assignment, and to incur the obligations provided for herein and therein, all of which have been duly authorized by all proper and necessary organizational action.

3.4. This Amendment, the Collateral Assignment and the Loan Agreement constitute the valid and legally binding obligations of the Borrowers, enforceable in accordance with their respective terms, except as the enforceability hereof or thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors’ rights generally or by general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

3.5. There are no actions, suits, proceedings or investigations pending or, so far as the officers, members or managers (as applicable) of any Borrower know, threatened before any court or administrative agency that, in the opinion of such officers, members or managers, would, if adversely determined, materially adversely affect (i) the financial condition or operations of the Borrowers, or (ii) the ability of the Borrowers to execute or deliver this Amendment or the Collateral Assignment or to carry out the terms of the Loan Agreement or the Collateral Assignment.

4. Conditions. The effectiveness of this Amendment is subject to the following conditions precedent:

4.1. Amendment. The Borrowers and the Bank shall have executed and delivered one or more counterparts of this Amendment.

4.2. Collateral Assignment. The Borrowers shall have executed and delivered to the Bank a Security Agreement (Collateral Assignment of Life Insurance Policy as Collateral), in form and substance satisfactory to the Bank (the "Collateral Assignment").

4.3. Authorization. The Borrowers shall have provided evidence satisfactory to the Bank that the execution, delivery and performance by the Borrowers of this Amendment, the Collateral Assignment, the Loan Agreement and each other instrument or agreement required under this Amendment have been duly authorized.

4.4. Upfront Fees. The Borrowers shall have paid to the Bank upfront fees with respect to Facility No. 5 and Facility No. 6 in an aggregate amount of \$37,500.00, which fees shall be fully earned and non-refundable once paid.

4.5. KYC Information. Upon the request of the Bank, (a) the Borrowers shall have provided to the Bank, and the Bank shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act, and (b) if any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, such Borrower shall have delivered a Beneficial Ownership Certification to the Bank.

4.6. Other Conditions. The Bank shall have received any and all other certificates, statements, opinions and other documents required by the terms of this Amendment or otherwise requested by the Bank.

5. No Other Amendments; Reaffirmation; No Novation; No Waiver; Reservation of Rights and Release. Except as expressly amended hereby, the terms of the Loan Agreement shall remain in full force and effect in all respects, and each Borrower hereby reaffirms its obligations under the Loan Agreement and under each of the other Loan Documents to which it is a party. Each Borrower acknowledges and agrees that (a) the execution and delivery of this Amendment and consummation of the transactions contemplated hereby do not reduce, discharge, release, impair or otherwise limit any of such Borrower's obligations under the Loan Agreement or any of the other Loan Documents to which it is a party, (b) no Borrower has any offset, counterclaim or defense of any kind to its obligations, covenants or agreements under the Loan Agreement or any of the other Loan Documents to which it is a party, (c) nothing contained in this Amendment shall

be deemed to constitute a waiver or release by the Bank of any Default or Event of Default that may now or hereafter exist under the Loan Agreement or any of the other Loan Documents, or of the Bank's right to exercise any and all of its rights and remedies thereunder, all of which rights and remedies are hereby reserved by the Bank, and (d) nothing contained in this Amendment shall be construed to constitute a novation with respect to the indebtedness described in the Loan Agreement and the other Loan Documents. Each Borrower, for itself and for its successors and assigns, hereby releases and forever discharges the Bank and the Bank's, respective predecessors, successors, assigns, officers, managers, directors, employees, agents, attorneys, representatives and affiliates (collectively, the "Bank Group"), from any and all presently existing claims, demands, damages, liabilities, actions and/or causes of action of any nature whatsoever, including, without limitation, all claims, demands and causes of action for contribution and indemnity, whether arising at law or in equity, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted, which any Borrower may have or claim to have against any of the Bank Group arising out of facts or events in any way related to the Loan Agreement, any of the other Loan Documents, or the transactions contemplated thereby or hereby that exist on the date hereof or arise from facts or actions occurring prior hereto or on the date hereof.

6. References. All references in the Loan Agreement to "this Agreement," "herein," "hereunder" or other words of similar import, and all references to the "Loan Agreement" or similar words in the other Loan Documents, or any other document or instrument that refers to the Loan Agreement, shall be deemed to be references to the Loan Agreement as amended by this Amendment.

7. Expenses. The Borrowers hereby agree to pay all costs and expenses incurred by the Bank in connection with the preparation of this Amendment and the Collateral Assignment and the consummation of the transactions described herein, including, without limitation, the reasonable attorneys' fees and expenses of the Bank.

8. Applicable Law. This Amendment shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia, without reference to conflicts of law principles.

9. Counterparts; Electronic Delivery. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. Delivery by any party to this Amendment of its signatures hereon through facsimile or other electronic image file (including .pdf) (i) may be relied upon as if this Amendment were physically delivered with an original handwritten signature of such party, and (ii) shall be binding on such party for all purposes.

10. Successors. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. FINAL AGREEMENT. BY SIGNING THIS AMENDMENT, EACH PARTY REPRESENTS AND AGREES THAT: (A) THIS AMENDMENT REPRESENTS THE FINAL AGREEMENT BETWEEN OR AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, (B) THIS AMENDMENT SUPERSEDES ANY COMMITMENT

LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS RELATING TO THE SUBJECT MATTER HEREOF, UNLESS SUCH COMMITMENT LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS EXPRESSLY PROVIDES TO THE CONTRARY, (C) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN OR AMONG THE PARTIES, AND (D) THIS AMENDMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

[Signatures begin on following page]

IN WITNESS WHEREOF, the Borrowers and the Bank have caused this Amendment to be duly executed under seal, all as of the day and year first above written.

Bank:

Bank of America, N.A.

By: /s/ Colleen Landau

Name: Colleen Landau

Title: Senior Vice President

Borrowers:

Hooker Furnishings Corporation

(formerly **Hooker Furniture Corporation**)

By: /s/ Paul A. Huckfeldt (Seal)

Name: Paul A. Huckfeldt

Title: Chief Financial Officer

Bradington-Young, LLC

By: /s/ Paul A. Huckfeldt (Seal)

Name: Paul A. Huckfeldt

Title: Chief Financial Officer

Sam Moore Furniture LLC

By: /s/ Paul A. Huckfeldt (Seal)

Name: Paul A. Huckfeldt

Title: Chief Financial Officer

Home Meridian Group, LLC

By: /s/ Paul A. Huckfeldt (Seal)

Name: Paul A. Huckfeldt

Title: Chief Financial Officer

- (b) all claims, options, privileges, rights, title and interest in and under the Policy.

This assignment and security interest is subject to all the terms and conditions of the Policy and to all superior liens, if any, which the Insurer may have against the Policy. Borrower shall deliver the original Policy to Bank promptly upon Bank's request, and shall cause Insurer to provide to Bank such acknowledgments of the assignment of the Collateral as Bank may request from time to time.

2. THE INDEBTEDNESS. The Collateral secures and will secure all Indebtedness of Borrower to Bank. For purposes of this Security Agreement, "Indebtedness" means all loans and advances made by Bank to Borrower and all other obligations and liabilities of Borrower to Bank, whether now existing or hereafter incurred or created, whether voluntary or involuntary, whether due or not due, whether absolute or contingent, or whether incurred directly or acquired by Bank by assignment or otherwise. Indebtedness includes, without limitation, all obligations of Borrower arising under any Swap Contract; provided, that with respect to a Borrower, "Indebtedness" secured by Collateral of such Borrower shall not include obligations arising under any Swap Contract to which it is not party if, and to the extent that, all or a portion of the guaranty by such Borrower to Bank of, or the grant by such Borrower of a security interest to Bank to secure, such Swap Contract, would violate the Commodity Exchange Act by virtue of such Borrower's failure to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time such guaranty or grant of such security interest becomes effective with respect to such Swap Contract. "Commodity Exchange Act" means 7 U.S.C. Section 1 *et seq.*, as amended from time to time, any successor statute, and any rules, regulations and orders applicable thereto. "Swap Contract" means any interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, securities puts, calls, collars, options or forwards or any combination of, or option with respect to, these or similar transactions now or hereafter entered into with Bank and/or any affiliate of Bank. Unless Borrower shall have otherwise agreed in writing, Indebtedness, for the purpose of this Security Agreement, shall not include "consumer credit" subject to the disclosure requirements of the Federal Truth in Lending Act or any regulations promulgated thereunder.

3. RIGHTS OF BANK. The rights assigned to Bank under this Security Agreement include, but are not limited to, the following:

- (a) The sole right to collect from the Insurer the net proceeds of the Policy in a lump sum distribution when it becomes a claim by death or maturity;
- (b) The sole right to surrender the Policy and receive the cash surrender value thereof at any time provided by the terms of the Policy and at such other times as the Insurer may allow;
- (c) The sole right to obtain one or more loans or advances on the Policy, either from the Insurer or, at any time, from other persons, and to pledge or assign the Policy as security for such loans or advances;
- (d) The sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Policy now or hereafter made or apportioned to the Policy, and to exercise any and all options contained in the Policy with respect to the foregoing; provided, however, that unless and until Bank notifies the Insurer in writing to the contrary, the distributions or shares of surplus, dividend deposits and additions shall continue to be distributed in accordance with the instructions in effect on the date of this Security Agreement;

(e) The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom; and

(f) The sole right to all unearned premiums paid in advance under the Policy.

It is provided, however, that Bank shall not exercise the rights provided under subparts (b) or (c) above unless and until there has been a default under this Security Agreement, as described in Paragraph 10 hereof.

4. RIGHTS NOT ASSIGNED. This Security Agreement does not give Bank the right to do any of the following:

(a) The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance or the cash surrender value of the Policy;

(b) The right to designate and change the beneficiary;

(c) The right to elect optional modes of settlement.

The exclusion of these rights from this Security Agreement shall not impair the right of Bank to surrender the Policy completely with all its incidents or impair any other right of Bank hereunder.

5. COSTS AND EXPENSES INCURRED BY BANK. Borrower agrees to pay or reimburse Bank immediately, without demand, for all advances, charges, costs, and expenses incurred or paid by Bank in exercising any right, power or remedy conferred by this Security Agreement, or in the enforcement of this Security Agreement. This includes: paying any premium on the Policy, paying any amount on any loans or advances made by the Insurer on the Policy, and paying reasonable attorneys' fees and allocated costs of in-house counsel to the extent permitted by applicable law. All such amounts shall be added to and considered to be part of the principal of the Indebtedness, and shall bear interest from the date the obligation arises at the highest rate provided in any instrument or agreement evidencing the Indebtedness.

6. PAYMENT FROM THE POLICY. All sums received by Bank from the Policy, either in event of death of the person whose life is insured, the maturity or surrender of the Policy, the obtaining of a loan or advance on the Policy, or otherwise, shall be applied by Bank to the payment of the following obligations in such order or preference as Bank shall determine:

(a) The Indebtedness (or, at the option of Bank, such sums may be held by Bank as cash collateral securing the Indebtedness);

(b) Amounts claimed (whether or not Borrower disputes such claim) by the Insurer to be due on Premiums on the Policy;

(c) Amounts claimed (whether or not Borrower disputes such claim) by the Insurer to be due on principal of and/or interest on loans or advances made by the Insurer on the Policy.

The balance of any amounts received by Bank from the Insurer after payment of the obligations described above shall be paid by Bank to the persons determined by Bank in good faith to be entitled thereto under the terms of the Policy had this Security Agreement not been executed.

7. CHANGE IN BENEFICIARY OR SETTLEMENT OPTION. Upon Borrower's request and without unreasonable delay, Bank shall forward the Policy to the Insurer for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement. Any such designation or change of beneficiary or election of a mode of settlement shall be made subject to this Security Agreement and to the rights of Bank hereunder.

8. AUTHORIZATION TO INSURER. The Insurer is hereby authorized to recognize Bank's claims to rights hereunder without investigating the reason for any action taken by Bank, or the validity or the amount of the Indebtedness or the existence of any default thereunder, or the giving of any notice, or the application to be made by

Bank of any amounts to be paid to Bank. The sole signature of Bank shall be sufficient for the exercise of any rights under the Policy and the sole receipt of Bank for any sums received from the Insurer shall be a full discharge and release therefor to the Insurer. Checks for all or any part of the sums payable under the Policy shall be drawn to the exclusive order of Bank if, when, and in such amounts as may be, requested by Bank.

9. PAYMENT OF PREMIUMS. Borrower agrees to pay any and all premiums, or the principal of or interest on any loans or advances on the Policy whether or not obtained by Bank, or any other charges on the Policy. If required by Bank, Borrower shall provide Bank with proof that premiums on the Policy have been paid within twenty (20) days from the due date of such premiums. Bank may, but is not obligated to, pay any premiums, or the principal of or interest on any loans or advances on the Policy whether or not obtained by Bank, or any other charges on the Policy, due on the Policy in the event Borrower fails to do so.

10. DEFAULT. At the option of Bank, and without the necessity of demand or notice, all or any part of the Indebtedness shall become immediately due and payable on the happening of any of the following events:

- (a) Failure by Borrower to keep or perform any of the terms or provisions of this Security Agreement;
- (b) Default by Borrower in the payment of any Indebtedness when due;
- (c) A levy of any attachment, execution, or other process, against Borrower, the Policy, or any other collateral securing the Indebtedness;
- (d) The death, insolvency, failure in business, general assignment for the benefit of creditors, filing of petition for relief under any bankruptcy law, of, by or against Borrower;
- (e) The occurrence of an event of default under and as defined in any agreement between Bank and Borrower relating to the Indebtedness.

11. WAIVERS AND AUTHORIZATIONS. Borrower hereby waives any right to require Bank to proceed against any other person obligated on the Indebtedness, proceed against or exhaust any other collateral securing the Indebtedness, or pursue any remedy in Bank's power. Borrower waives any defense arising by reason of any disability or other defense of any other person obligated on the Indebtedness, or by reason of the cessation from any cause whatsoever of the liability of any other person obligated on the Indebtedness. Borrower authorizes Bank, without notice or demand and without affecting its obligation hereunder, from time to time to apply the proceeds of any amounts received from any other party or on account of any other security, and direct the order or manner of realization thereon, as Bank in its discretion may determine.

12. EXERCISE OF RIGHTS BY BANK. All authority, powers, rights and remedies granted to Bank under this Security Agreement are in addition to any other rights or remedies authorized by law and may be exercised by Bank at its sole option. Bank shall not be obligated or liable for any failure to exercise, or for delay in the exercise of, such authority, powers and rights. Any forbearance, delay, or failure by Bank in enforcing any right, power, or remedy hereunder shall not be deemed to be a waiver of such right, power, or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power, and remedy of Bank hereunder shall continue in full force and effect until such right, power, or remedy is specifically waived by an instrument in writing executed by Bank. Bank shall not be required to institute any suit or legal action against the Insurer, and Bank is hereby authorized and empowered to settle and compromise any claims which may arise against the Insurer. Upon the surrender of the Policy, Bank may accept the cash value as may be determined by the Insurer at the time of such surrender.

13. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a)

CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER DOCUMENTS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION AND (c) CERTIFIES THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.

14. **WAIVER OF CLASS ACTIONS.** The terms “Claim” or “Claims” refer to any disputes, controversies, claims, counterclaims, allegations of liability, theories of damage, or defenses between Bank of America, N.A., its subsidiaries and affiliates, on the one hand, and the parties to this Agreement, on the other hand (all of the foregoing each being referred to as a “Party” and collectively as the “Parties”). Whether in state court, federal court, or any other venue, jurisdiction, or before any tribunal, the Parties agree that all aspects of litigation and trial of any Claim will take place without resort to any form of class or representative action. Thus the Parties may only bring Claims against each other in an individual capacity and waive any right they may have to do so as a class representative or a class member in a class or representative action. **THIS CLASS ACTION WAIVER PRECLUDES ANY PARTY FROM PARTICIPATING IN OR BEING REPRESENTED IN ANY CLASS OR REPRESENTATIVE ACTION REGARDING A CLAIM.**

15. **GOVERNING LAW.** Except to the extent that any law of the United States may apply, this Agreement shall be governed and interpreted according to the laws of the Commonwealth of Virginia, without regard to any choice of law, rules or principles to the contrary. Nothing in this paragraph shall be construed to limit or otherwise affect any rights or remedies of Bank under federal law.

[Signature appears on following page]

The parties executed this Security Agreement as of July 26, 2022, intending to create an instrument executed under seal.

Borrower:

HOOKER FURNISHINGS CORPORATION
(formerly known as HOOKER FURNITURE CORPORATION)

By: /s/ Paul Huckfeldt (Seal)
Name: Paul Huckfeldt
Title: CFO

Address of Borrower:
440 Commonwealth Blvd E.
Martinsville VA 24112

STATE OF VIRGINIA

CITY/COUNTY OF Martinsville, to-wit:

The foregoing instrument was acknowledged before me, the undersigned Notary Public, in the City/County and State aforesaid, this 26th day of July, 2022, by Paul Huckfeldt, as CFO of HOOKER FURNISHINGS CORPORATION, a Virginia corporation, on behalf of the corporation.

/s/ Katrina L. Holbrook
Notary Public

My commission expires: 8/31/24
Notary registration number: 7907981